

Hearing Date: August 21, 2013 at 10:00 am (ET)
Objection Deadline: August 8, 2013 at 4:00 pm (ET)

KIRBY McINERNEY LLP

Mark A. Strauss (mstrauss@kmlp.com)
J. Brandon Walker (bwalker@kmlp.com)
825 Third Avenue, 16th Floor
New York, NY 10022
Tel: (212) 371-6600
Fax: (212) 751-2540

Counsel for Plaintiffs Landon Rothstein, et al.

BIFFERATO GENTILOTTI

Mary E. Augustine (maugustine@bglawde.com)
Garvan F. McDaniel (gmcDaniel@bglawde.com)
1013 Centre Road, Suite 102
Wilmington, DE 19805
Tel: (302) 429-1900
Fax: (302) 429-8600

Bankruptcy Counsel for Plaintiffs Landon Rothstein, et al.

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

RESIDENTIAL CAPITAL, LLC, *et al.*,

Debtors.

Chapter 11

Case No. 12-12020 (MG)

Jointly Administered

OBJECTION AND RESERVATION OF RIGHTS OF PLAINTIFFS IN *ROTHSTEIN, ET AL. V. GMAC MORTGAGE, LLC, ET AL.*, NO. 12-CV-3412-AJN (S.D.N.Y.) TO DISCLOSURE STATEMENT FOR THE DEBTORS' JOINT CHAPTER 11 PLAN PROPOSED BY RESIDENTIAL CAPITAL, LLC, ET AL. AND THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS [DOCKET NO. 4157]

Plaintiffs in the putative class action captioned *Rothstein, et al. v. GMAC Mortgage, LLC, et al.*, No. 1:12-CV-3412-AJN (S.D.N.Y.) ("*Rothstein*") submit this objection and reservation of rights in response to the Disclosure Statement for the Debtors' Joint Chapter 11 Plan Proposed

by Residential Capital, LLC, *et al.* and the Official Committee of Unsecured Creditors [Docket No. 4157] (the “Disclosure Statement”) and state as follows:

1. Plaintiffs are involved in the contested matter (the “Contested Matter”) commenced by the Motion by Ally Financial Inc. and Ally Bank for an Order Enforcing the Automatic Stay pursuant to 11 U.S.C. § 362(a)(3) by (1) Enjoining Prosecution of Alter Ego and Veil Piercing Claims in the Class Action Entitled *Landon Rothstein, et al. v. GMAC Mortgage LLC, et al.*, and (2) Declaring Such Claim Void *Ab Initio* [Docket No. 2511]. The relevant parties are currently attempting to resolve this Contested Matter, but, to date, no resolution has been reached. The Contested Matter involves whether Plaintiffs’ claims in *Rothstein* are derivative.

2. The Disclosure Statement describes a plan that will enjoin Plaintiffs from pursuing their claims in *Rothstein* against non-debtor parties and provides very little funding to distribute under the proposed plan for the release of such claims: only \$57.6 million of a total of \$2.1 billion. Plaintiffs intend to object to such a plan because of improper third party releases and injunctions and insufficient funding for borrower claims.

3. Plaintiffs file this reservation of rights to preserve all rights and bases for objecting to any plan proposed in these cases, regardless of the terms described by the Disclosure Statement.

WHEREFORE Plaintiffs object to the Disclosure Statement and reserve all rights in these cases.

Dated: New York, New York
August 8, 2013

KIRBY McINERNEY LLP

By: /s/ Mark A. Strauss
Mark A. Strauss (mstrauss@kmlp.com)
J. Brandon Walker (bwalker@kmlp.com)
825 Third Avenue, 16th Floor
New York, New York 10022
Telephone: (212) 371-6600
Facsimile: (212) 751-2540

Counsel for Plaintiffs Landon Rothstein, et al.

BIFFERATO GENTILOTTI
Mary E. Augustine (maugustine@bglawde.com)
Garvan F. McDaniel (gmcdaniel@bglawde.com)
1013 Centre Road, Suite 102
Wilmington, Delaware 19805
Telephone: (302) 429-1900
Facsimile: (302) 429-8600

*Bankruptcy Counsel for Plaintiffs Landon
Rothstein, et al.*